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CITE FBIS/PANAMA CITY 66453

TO: PRIORITY FBIS.

SUBJECT: WAGE SCALE

REF: A. FBIS/PANAMA CITY 66393

B. FBIS/PANAMA CITY 66350

C. FBIS 14906

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- 1. REF C RECEIVED TODAY. SPOKE TO SMITHSONIAN PERSONNEL ADVISOR 4 FEB. BELIEVE NO HARM DONE, HOWEVER. HE MERELY CONFIRMED THAT SMITHSONIAN POST-TREATY HIRES ARE PAID ACCORDING TO THE GS SCALE, WHICH PARALLELS OUR NN SCALE.
- 2. AGREE THIS MIGHT BE GOOD OPPORTUNITY TO PHASE IN THE FBIS CLASSIFICATION AND COMPENSATION PLAN AT THIS BUREAU. WOULD LIKE TO INSURE, HOWEVER, THAT WE HAVE A COMMON UNDERSTANDING OF THE SITUATION FROM THE BEGINNING.
- 3. ALL OF OUR PRE-OCTOBER 1979 HIRES ARE GRANDFATHERED ON THE CANAL AREA WAGE SCALE--THE NM SCALE--BY THE TREATY. THEY CANNOT BE CONVERTED. THIS IS WHY WE WERE DROPPED EARLY ON WHEN THE STATE FSN SYSTEM WAS STILL UNDER CONSIDERATION. ONLY THREE OF OUR PRESENT EMPLOYEES ARE BEING COMPENSATED (ALBEIT ERRONEOUSLY) ACCORDING TO THE PANAMA AREA WAGE SCALE--THE LN SCALE. MOST OF THE EMPLOYEES ON THE NM SCALE PROBABLY WILL BE WITH THE BUREAU FOR MANY YEARS YET.
- 4. WE ARE EXTREMELY FORTUNATE IN NOT HAVING TO ABIDE BY THE CANAL AREA EMPLOYMENT SYSTEM. IT WOULD HAVE BEEN NICE TO HAVE KNOWN IT SOONER, BUT AT LEAST WE CAN SAVE OURSELVES A GOOD DEAL OF PERSONNEL MISERY IN FUTURE, AND IN PARTICULAR THE MISERY ENGENDERED WHEN TWO PEOPLE SITTING SIDE BY SIDE DOING THE SAME JOB ARE PAID TWO DIFFERENT SALARIES. (TREATY LEGISLATION ALREADY PROVIDES THAT POST-OCTOBER 1979 HIRES DO NOT GET THE SAME

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PAGE 2 FBIS/PANAMA CITY 66453 C O N F I D E N T I A L BENEFITS. THEY ARE NOT ELIGIBLE FOR CIVIL SERVICE RETIREMENT, FEGLI, OR FEHBA.)

- 5. IT MATTERS LITTLE TO OUR MONITORS WHAT WE CALL OUR WAGE SCALE--LN, NM, GS OR FB. THEY LOOK PRIMARILY AT THE BOTTOM LINE. GIVEN THIS OPPORTUNITY, I THINK IT WOULD BE MOST UNWISE TO ESTABLISH A NEW PAY SCALE THAT DID NOT MATCH AS CLOSELY AS POSSIBLE, THE NM SCALE.
- 6. I WILL AWAIT HQS ADVICE. HOPE THIS CAN BE RESOLVED QUICKLY. APPROVAL AND SPECIFICS OF PANAMA AREA WAGE SCALE CHANGES WERE ANNOUNCED PUBLICLY 4 FEB. I HAVE SPOKEN TO THE THREE EMPLOYEES WE THOUGHT WERE ON THE LN SCALE, AND EXPLAINED THE SITUATION. HOWEVER, THE FASTER WE CAN SHAKE THIS LN DESIGNATOR AND DEVELOP AN EQUITABLE NEW PAYSCALE FOR THEM, THE BETTER. DECL OADR ALL CONFIDENTIAL. CONFIDENTIAL.

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